



*The Honourable Mitchell Sharp, Minister of Trade and Commerce (left), and Mr. J. H. Warren, Deputy Minister of Trade and Commerce, at the Paris meeting of the OECD.*

economic growth in 1965 for the OECD area as a whole seem to be good. In certain countries, such as Italy, encouragement for investment should now be contemplated.

However, inflationary tendencies have made themselves felt in a number of member countries. Their present policies designed to control these tendencies will have to be continued in order to prevent inflation spreading. Developments during the last year indicate that, in working towards the growth target, it will be necessary to devote great attention to policies designed to maintain stability.

3. It is, therefore, important that monetary incomes should be kept within the limits that productivity permits. An important condition for this is that demand should not be too high.

The attainment of economic growth without inflation can be facilitated by an active manpower policy that promotes the best utilization of human resources. Likewise, further changes in agricultural policies shifting emphasis from price support to support of structural reforms and regional development would permit gradual transfers of manpower into expanding industries and services while allowing higher incomes to those remaining in agriculture. In this respect, due regard should be given to the social consequences arising out of the transformation process.

Apart from the United Kingdom, the international-payments positions of the OECD countries have been brought into better balance. Italy's large deficit has